



Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, MARCH 29, 1995

AT
(202) 616-2771
TDD (202) 514-1888

**JUSTICE DEPARTMENT WILL NOT CHALLENGE HEALTH CARE PLAN
TO PROVIDE A WISCONSIN SUBACUTE-CARE NETWORK**

WASHINGTON, D.C. -- Four Wisconsin nursing home operators will be allowed to establish a statewide network of facilities that will offer care beyond what is normally available in nursing homes under a proposal approved today by the Department of Justice's Antitrust Division.

The proposal by Hillhaven Corporation and three other Wisconsin nursing home operators in Madison, Eau Claire and La Crosse, to establish the statewide Wisconsin Subacute Preferred Provider Network will likely reduce health care costs and provide consumers with a greater choice of care, the Department said.

The Department's position was stated in a business review letter to Hillhaven's counsel from Assistant Attorney General Anne Bingaman, in charge of the Antitrust Division.

Hillhaven operates nursing homes in various parts of Wisconsin, and in other localities throughout the U.S. At its Wisconsin nursing home facilities, Hillhaven offers, in addition to skilled nursing care, some subacute-care beds for patients who

(MORE)

can safely be taken out of an acute-care hospital setting but who require a more intensive level of care than normally is provided in a nursing home.

In order to be able to offer that innovative service to health plans and insurers on a statewide basis, Hillhaven plans to enter into a subacute-care network joint venture with other nursing home operators in areas of Wisconsin where Hillhaven does not have facilities of its own.

Bingaman's letter explained that the proposed joint venture will not undermine competition because none of the four joint venture participants operates a nursing home or subacute-care facility in any local market in which any of the other participants operates such facilities.

Under the Department's business review procedure, an organization may submit a proposed action to the Antitrust Division and receive a statement whether the Division will challenge the action under the antitrust laws.

A file containing the business review request and the Department's response may be examined in the Legal Procedure Unit of the Antitrust Division, Room 3233, Department of Justice, Washington, D.C. 20530. After a 30-day waiting period, the documents supporting the business review will be added to the file.

###